

MINUTES

**California Industrial Development
Financing Advisory Commission
915 Capitol Mall, Room 587
Sacramento, California
April 23, 2008**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Acting Chair, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 10:37 a.m.

Members Present: Bettina Redway for Chairman Bill Lockyer, State Treasurer
Fred Klass for Michael C. Genest, Director, Department of Finance
Les Kleinberg for John Chiang, State Controller
Preston DuFauchard, California Corporations Commissioner,
Department of Corporations
Stanton Hazelroth for Dale Bonner, Agency Secretary, Business,
Transportation and Housing Agency

Staff Present: Tom Dresslar, Executive Director
Eileen Marxen, Deputy Executive Director

Quorum: The Acting Chair declared a quorum.

2. APPROVAL OF MARCH 26, 2008 MEETING MINUTES

Ms. Redway asked if there were any comments on the March 26, 2008 meeting minutes. There were none.

Preston DuFauchard moved approval of the minutes of the March 26, 2008 meeting. Upon a second, the motion was unanimously approved.

3. EXECUTIVE DIRECTOR'S REPORT

Tom Dresslar reported that there is a bill introduced in the U.S. Senate which will expand the definition of manufacturing facilities for the purpose of Industrial Development Bond (IDB) financing to cover knowledge based industries such as the bio-tech, hi-tech and nano-tech. He noted that the co-authors of the bill are Senator Snowe, a Republican from Maine, and Senator Kerry, a Democrat from Massachusetts, and he added that this bipartisan sponsorship illustrates the broad support for moving this legislation forward. Mr. Dresslar stated CIDFAC staff believes this is an important bill for California, and that staff will work with the national association for economic development agencies and with key members of the California

delegation to support this bill. Mr. Dresslar stated that this legislative effort has a long way to go before it becomes law, but the introduction of a bill has at least started the process.

Preston DuFauchard asked if there is opposition to any provisions of the bill.

Mr. Dresslar replied that the bill was introduced to Congress this week, so it is still too early to gauge the responses. Staff is not aware of any opposition at this point. He said that an important point to make about this bill is that there will be no added costs to taxpayers. He stated that the bill does not involve an increase in federal tax-exempt allocation for IDB financing; rather, it merely will expand the pool of industries eligible for IDB financing.

Mr. Dresslar stated that CIDFAC staff is developing a strategic plan which will be introduced in draft form at the May Commission meeting. He said that this plan as drafted provides a blueprint by which CIDFAC can enhance its stature in the economic development arena, encourage IDB financing of “green projects,” and make the IDB approval and allocation process more user-friendly.

Ms. Redway commented that she looks forward to the strategic plan. She asked if there were questions or comments on the Executive Director’s report. There were none.

4. BUSINESS ITEMS

Staff introduced Terrence Murphy, California Statewide Communities Development Authority, and Janak Patel, Boxes R Us, Inc.

A. REQUEST TO APPROVE INITIAL AND FINAL RESOLUTION FOR TAX-EXEMPT BONDS AND REQUEST FOR TAX-EXEMPT BOND ALLOCATION

- 1) On behalf of Boxes R Us, Inc. and/or affiliates, the California Statewide Communities Development Authority (CSCDA)** requested approval of the Initial and Final Resolution No. 08-0009 and Allocation Resolution No. 08-0009A for an amount equal to \$3,588,000. Bond proceeds will be used for the acquisition and installation of a new printing press. The Project consists of the purchase of a new KBA Rapida 12a Sheetfed Offset Press. The new printing press will replace two existing printing presses, a 23-year-old MAN Roland 800 and a 19-year-old KBA Varimat 77. The new printing press has an expected life of 30 to 40 years. It will allow the company to better serve its customers by increasing production and by speeding the production pace by 20%. Presented by – Deanna Hamelin.

Ms. Redway asked if there was anything that Terrence Murphy or Janak Patel wanted to add to the presentation.

Mr. Murphy replied that he wanted to thank CIDFAC staff for their time in helping CSCDA complete the approval process.

Ms. Redway asked if there were any questions or comments from the board or from the public. There were none.

Fred Klass moved approval. Upon a second, the motion was unanimously approved.

B. REQUEST FOR TAX-EXEMPT BOND ALLOCATION

Staff introduced James Kordas, GE Government Finance, Inc.; Gene Hamrick, UBS Printing Group, Inc.; and Ben Barker, California Municipal Finance Authority.

- 1) On behalf of UBS Printing Group, Inc. and/or affiliates, the California Municipal Finance Authority (CMFA)** requested approval of Allocation Resolution 08-0003A, for an amount equal to \$4,435,000 for the Project, which consists of the purchase of a new KBA Rapida sheet-fed printing press with foiler and Fuji Film Pre-Press equipment. The new printing press will replace an older KBA press that is less efficient. The increased capacity of the new printing press will allow the Company to bid on larger, more complex printing jobs. Presented by – Deanna Hamelin.

Ms. Redway asked if there were any questions or comments from the board or from the public.

Mr. DuFauchard stated that previous discussions on this transaction involved bond counsel opinion. He asked at what point in the transaction is bond counsel's opinion given.

CIDFAC Deputy Executive Director Eileen Marxen replied that in the course of a bond issue, bond counsel generally will conduct an initial tax analysis prior to the submission of an application for financing to make sure that threshold federal tax law requirements are met. She stated that bond counsel's opinion is finalized during the bond issuance process.

Mr. Kordas stated that Ron Lee is serving as bond counsel on this transaction. Mr. Kordas said Mr. Lee walked through the tax questionnaire with the company and, based upon the feedback received from the company on the tax questionnaire, Mr. Lee feels comfortable moving forward on this transaction.

Ms. Redway asked if there were any questions or comments from the board or from the public. There were none.

Mr. DuFauchard moved approval. Upon a second, the motion was unanimously approved.

C. REQUEST TO APPROVE INITIAL AND FINAL RESOLUTION FOR TAXABLE BONDS

- 1) On behalf of SPJC, Limited Liability Company and its successors and assigns and User Oakland Pallet Company, Inc. and its successors and assigns, Industrial Development Authority of Alameda County** requested approval of Initial and Final Resolution No. 08-0008B for the taxable portion of this bond transaction for an amount not to exceed \$1,048,000 for the Oakland Pallet Company, Inc. Project. Presented by – Deanna Hamelin.

Ms. Redway stated that it is her understanding that this resolution is just a technical cleanup from last action for this Project. She asked if there were any questions or comments from the board or from the public. There were none.

Les Kleinberg moved approval. Upon a second, the motion was unanimously approved.

5. PUBLIC COMMENT

Bettina Redway asked for public comments. There were none.

6. ADJOURNMENT

There being no further business, public comments or concerns, the meeting adjourned at 10:48 a.m.

Respectfully submitted,

Tom Dresslar
Executive Director